



Arizona Sports
& Tourism Authority
University of Phoenix
Stadium
1 Cardinals Drive
Glendale, AZ 85305

(623) 433-7500 Phone
(623) 433-7510 Fax

www.az-sta.com

In this issue

- AZSTA Chair Debbie Johnson speaks at Valley Citizens League Luncheon
- Monster Truck Thunder Drags invades the University of Phoenix Stadium
- AZSTA Presence felt at Goodyear Ballpark and Recreational Sports Complex Groundbreaking
- Four Valley Youth Sport Programs receive a total of \$8,161 from AZSTA
- Arizona Babies and Children's Expo held at University of Phoenix Stadium
- Video Football Challenge draws gamers to University of Phoenix Stadium
- Cardinals September Home Games
- September 2007 Monthly Financial Overview

AZSTA Chair Debbie Johnson speaks at Valley Citizens League Luncheon

AZSTA Chair Debbie Johnson spoke on AZSTA's economic impacts at the Valley Citizens League (VCL) Luncheon on Tuesday, September 11th.

The luncheon, themed "Sports in Arizona", was held at ASU's Downtown location in Phoenix. Johnson discussed AZSTA's positive economic impact and was able to attribute results of the impact on hotel and tourism based on her current position as President and CEO of the Valley Hotel and Resort Association and the Arizona Hotel and Lodging Association. John Junker, President and CEO of the Fiesta Bowl and Insight Bowl also spoke at the event.

The VCL is a non-partisan non profit group that engages decision makers and citizens to explore current public policy issues. VCL membership is open to anyone and includes mind-opening luncheon series, which explore issues.



From left to right: Richard de Uriarte, Editorial Writer for the AZ Republic (moderator), President and CEO of the Fiesta and Insight Bowl John Junker and AZSTA Chair Debbie Johnson

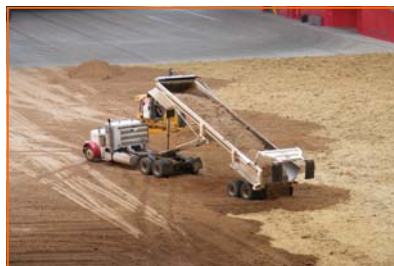
Monthly Report — September 2007 Issue 72

Monster Truck Thunder Drags invades the University of Phoenix Stadium

The University of Phoenix Stadium roared Saturday, September 8th with the country's most competitive trucks, the Monster Truck Thunder Drags. The top ten Monster Trucks were in attendance, including the original monster truck, Big Foot, and its inventor, Bob Chandler.



Doors opened early for this event for an autograph and photo session. Fans were able to take photos of their favorite drivers and their trucks. The show started just after 7 p.m., as fans were able to watch the trucks battle it out on a specially-designed course featuring crushed cars and ground pounding jumps. Drivers competed in both straight-line and freestyle competition. This is the second time the Monster Truck Show was held at the University of Phoenix Stadium.



The set-up for the Monster Truck event took three days, here a semi-truck covers the first layer of hay with dirt on the Monster Truck course

AZSTA Presence felt at Goodyear Ballpark and Recreational Sports Complex Groundbreaking

The City of Goodyear and the Cleveland Indians hosted the groundbreaking for the Goodyear Ballpark and Recreational Sports Complex on Monday, September 17.

More than 350 in attendance witnessed the first pitch, thrown by baseball hall-of-famer and former Cleveland Indians pitcher, Bob Feller. In attendance were those responsible for the funding and the development of the facility, including; The Wood Family (the owner of the land), the City of Goodyear, the Cleveland Indians, AZSTA, JMI Sports, and Rose Properties Southwest.



More than 350 in attendance watched baseball hall-of-famer and former Cleveland Indians pitcher Bob Feller throw the first pitch



With AZSTA's commitment to fund 50 percent of the cost of the complex, AZSTA was included as a dignitary. AZSTA Chair Debbie Johnson spoke on behalf of AZSTA to thank all parties involved.

Johnson informed the crowd that when the Cleveland Indians and Los Angeles Dodgers complete their relocations from Florida, the total economic impact of the Cactus League in Maricopa County will approach \$400 million.

The Cleveland Indians' will house their Spring Training operation and player development facility in Goodyear beginning in the Summer of 2008 when the Indians' clubhouse and practice fields are completed. The Indians' year-round portion of the practice field area will consist of their Clubhouse, two major practice fields, 1 half field, and batting practice areas. The remaining four major practice fields will be for the use of Goodyear residents, except during the two months of Spring Training, beginning 2009. The City also expects to use both the ballpark and practice field area for special events throughout the year.

The ballpark itself will be the centerpiece of Ballpark Village, an innovative mixed-use development of office, retail, housing and hospitality being developed just southwest of Goodyear's future City Center.



From left to right: AZSTA Board Member Brad Wright, AZSTA Chair Debbie Johnson, AZSTA Board Member Jerry Walker and AZSTA President & CEO Ted Ferris

Four Valley Youth Sport Programs receive a total of \$8,161 from AZSTA

The Arizona Sports and Tourism Authority (AZSTA) has awarded \$8,161 to four valley youth sport programs for new equipment, uniforms and renovations.

The City of Tempe's Westside Multigenerational Center (WMC) received \$2,050 to replace broken and unusable fitness equipment. The WMC is one of the City of Tempe's five community centers. Members of the city who do not have the financial resources to access a traditional fitness facility that charges a fee to use, can access the WMC. At the WMC, the community has full access to treadmills, stationary bikes, free weights, a rowing machine, and bench press free of charge.

Over 1,500 Boys and Girls Club members utilize the community center each year. Over 5,000 individuals utilize the fitness room, including the Association of Retarded Citizens which holds fitness classes throughout the year.



With the assistance of AZSTA's quick grant program, The Westside Multigenerational Center will update exercise equipment for public use

The Thunderbird Little League received \$2,475 to assist in the baseball field renovation project at the Sunburst Elementary School. The league has been operating for 35 years in the Northwest Valley; serving youth ages 5-16. There are approximately 150 kids in the league who utilize the field during the season. The upgrading of the fields consists of replacing the sprinkler system, new sod and stabilizers as well as a rebuilding of the pitchers mound. Players in the league, as well as the children that attend the Sunburst Elementary School, will be safer with the renovations.

The Fountain Hills Soccer Club received \$1,293 to assist in the purchase of new soccer equipment. The club serves approximately 400 youth soccer players in the town of Fountain Hills, and is for all skill levels, from beginner to advanced. The club's goal has been to give the players the opportunity to develop a variety of soccer skills while fostering character development in an environment that is empowering and fun. By assisting with the purchase of equipment, it will help keep the registration fees at a minimum.



Players from the Fountain Hills Soccer club will benefit from AZSTA's quick grant program with new soccer equipment

The Scottsdale YMCA received \$2,343 to assist in the purchase of sports equipment for their Midnight Madness program. The program has been running for over 20 years and currently serves over 100 children and their parents each night of the program. The program is currently held at the Black Mountain Elementary School and runs every Friday night from 6 p.m. to 10 p.m. for any 6th-8th graders and their parents or guardians. This program provides a safe, healthy alternative weekend event that encourages activity and positive teen and adult relationships.

AZSTA is a Municipal Corporation dedicated to enhancing Maricopa County's economy and community's quality of life. AZSTA gave these awards under its Quick Grant program, a program which accepts funding applications on a year-round basis for smaller projects and programs requesting a maximum of \$2,500. AZSTA sets aside 5 percent of its annual Youth & Amateur Sports funding per Arizona Revised Statutes for this program and awards the funds on a first-come, first-served basis providing that the program's criteria are met. Grants are based on a completed Quick Grant Program Funding Application and project budget template and the stated need to serve youth and amateur sports, demonstration of financial need and the benefit to a local community.

Arizona Babies and Children's Expo held at University of Phoenix Stadium

The University of Phoenix Stadium was packed with families of all sizes and ages; from moms to be to families with teenagers on Saturday, September 22nd and Sunday, September 23rd. Over the two-day event there were 2,449 in attendance who were able to watch the live shows, participate in creative play areas and the baby animal farm, and were able to enjoy the family fashion show.



The AZ Babies and Children's Expo is dedicated to provide local, regional and national companies who provide products and services to enrich the lives of AZ families as well as the latest innovations, essential parenting tips, children safety and educational advice from experts all under one roof. This is the second time the event was held at the University of Phoenix Stadium.

Video Football Challenge draws gamers to University of Phoenix Stadium

Hundreds of fans headed to the University of Phoenix Stadium on Saturday, September 22nd, for a little game of football. This wasn't a Cardinals home game however, but a video game tournament.

EA Sports came to town on its cross-country football tournament, the Madden Challenge. The challenge was to be the last gamer standing. There were Xbox 360 and PS2 versions, with 256 players in each category. Winners received five video games from EA, a \$50 Best Buy gift card and a trip to Los Angeles to participate in the Madden Challenge finals, where they'd compete for a \$50,000 Best Buy gift



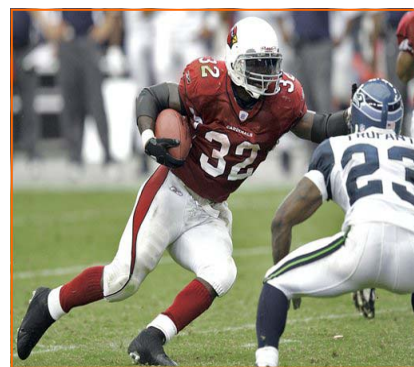
card and a \$10,000 check.

Glendale was the tournament's third stop on its 17-regional qualifying event, but there are also tournaments abroad, in Mexico, Toronto and London.



Last attempt wasn't enough for Seahawks as Cardinals walk away with victory

The result of a Seahawk's missed field goal was a 23-20 Cardinals victory on Sunday, September 16th. The game started at 1:05 p.m. as a sell-out crowd of 64,542 watched the Cardinals start off strong with a 17-0 lead. The Seahawks gained control in the third quarter, tying the game 17 all. Arizona held on strong, as they were victorious in the fourth quarter.



"It was one of those things where in so many games, last season, last week, where we just couldn't find a way to win", Matt Leinart said. "It was great to see because we finally got a break at the end."

This break in the end, helped Arizona walk away with their first victory of the pre-season and regular season.

Cardinals Continue to Finish Strong

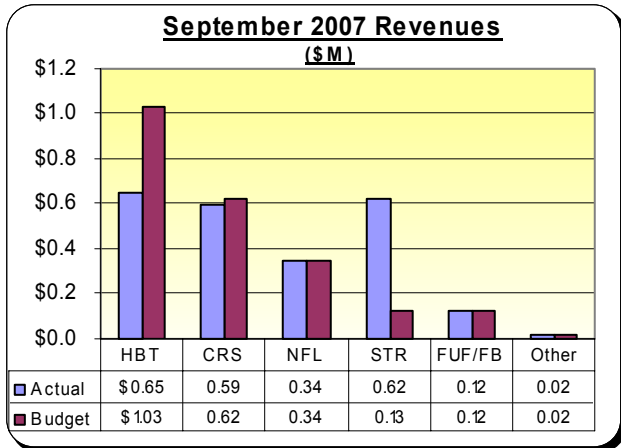
The Cardinals finished strong against the Pittsburgh Steelers in the second half before another sell-out crowd of 64,844 on Saturday, September, 30th.

The University of Phoenix Stadium showed the presence of fans from each team as the stadium seating was filled with yellow and red. The Steelers started off strong leading 7-0 in the first half, but the Cardinals did not let that lead hold any longer, as they came back in the third to tie up the game, and finishing with the final score of 21-14. This victory brought Arizona to a 2-2 record for this season.



FINANCIAL OVERVIEW

Sources – The following chart provides our monthly revenue results for September 2007 which represents transaction activity from July 2007:



The Authority's **total revenues** for the current month were slightly ahead of our budget forecast by \$85k, 3.7%. The individual revenue components and their performance are detailed as follows:

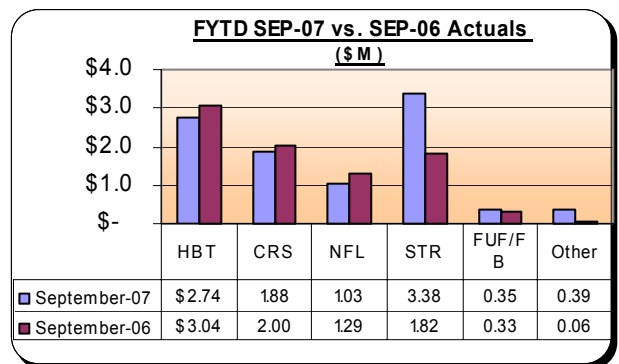
- The combined **tourism revenues** (hotel bed tax and car rental surcharge) posted \$1.24 million in revenues – \$408.6k, 24.8%, below forecast. The **hotel bed tax**, continued its below-budget performance for the new fiscal year by posting \$649.2k in revenues, \$381.3k, 37.0%, below budget. The **car rental surcharge** also continued to under perform as it came in \$27.4k, 4.4%, below our forecast. Part of this is explained in how the FY2008 budgeted revenues were developed. Typically, we determine what a reasonable, conservative rate of growth would be and use that multiplier times the prior year's monthly actual collections. During FY2007, the prior fiscal year, we received a historically larger amount of hotel bed tax revenues in July 2006 than during any of the previous fiscal years by more than \$332k. This should have been taken into consideration when developing the FY2008 budget. The positive news is that this month's actual hotel bed tax is the **2nd highest** amount since we began collecting this data in 2001.
- The **NFL income tax** is determined by the Arizona Department of Revenue prior to the start of each fiscal year. This was on-budget at \$343k for the month. This is nearly \$86k less than for the prior fiscal year with the removal of the guaranteed minimum by the state legislature.

- **Sales tax recapture** revenues for the month of July posted significantly higher results partially due to the timing of the receipt of some of these revenues which were from the prior month. The Arizona Department of Revenue posted two deposits to our account under this category of which one was from the month of June.

- The combined **facility use fees** and **concession revenues** were just slightly below our forecast by \$2.9k, 2.4%. These sources are directly tied to the number and types of events held at the stadium as well as the actual attendance figures.

Other revenues were comprised of the Arizona Cardinals' rent of \$21.3k for the month of August.

Sources – Comparing Fiscal Years 2008 and 2007 – The next chart provides a fiscal year-to-date comparison between September 2007 and September 2006:



Overall, the current fiscal year's performance during the first quarter eclipsed last year's figures due to the strong performance of the sales tax recapture revenues as well as for the other category. Unfortunately, all other revenue categories, including our two tourism revenues, are behind last year's same-period results. The combined tourism revenues continue pace behind last year's results by \$429.4k, 8.5%.

Senior Bond Debt Service – The Authority will pay an estimated \$12.8 million in senior bond debt service during fiscal year 2008. Approximately 60% of the total amount will be sourced from our tourism revenues.

Tourism – During fiscal year 2008 the Authority will provide \$5.4 million to the Arizona Office of Tourism in Prop 302 funds for use in the promotion and marketing of Maricopa County. This amount is increased by five percent annually.

Cactus League – The Cactus League will receive slightly greater than \$3.0 million in the current fiscal year. Of this amount \$2.55 million will be used for subordinate bond debt service payments and the balance is earmarked for spring training baseball renovation projects in the cities of Tempe and Scottsdale.

Youth and Amateur Sports -- \$1.6+ million will be distributed into this fund this fiscal year. This annual distribution grows by \$100,000 each year. The Authority will also fully fund the \$100k annual increment to the existing \$1.4 million youth and amateur sports reserve fund.

Authority Operations – The Authority’s operating budget, which is a combination of its own operations plus those of its stadium management firm, is forecasted to be less than the prior fiscal year – the first year of stadium operations. The total approved operating budget is \$13.1 million which is comprised of the Authority’s operations at \$1.4 million (including expenses related for Super Bowl XLII), and Global Spectrum’s operations at \$11.7 million. The Authority’s audit firm, Eide Bailly LP, began their annual financial audit of the Authority at the end of September. It is expected that the final audit report will be issued during the early part of October in advance of the October 28th deadline.

Approved by:



Ted A. Ferris
Executive Director and President/CEO

Note: This monthly report is required by Arizona Revised Statutes Section 5-814. A. which states that.... “Within three weeks after the end of each calendar month the authority shall prepare a report signed by the executive director of the authority and transmit the report to the governor, the legislature, as provided by section 41-1178, and the joint legislative budget committee. The report shall include a progress report of the activities of the authority during the previous month.”

Also, section 41-1178 reference above reads as follows:

41-1178. Reports; audits; submission

A. If a statute or law requires an agency as defined in section 41-2952 or a person to submit a report, an audit or the report of a consultant that contracted with an agency to the legislature, the agency or person shall submit a copy of the report or audit to:

1. The president of the senate.
2. The speaker of the house of representatives.
3. The joint legislative audit committee.

B. The agency or person that submits a report, an audit or the report of a consultant that contracted with an agency to the legislature shall notify each legislator of the submission and that a copy of the report or audit shall be provided to the legislator on request.

C. Unless an exception to this subsection is specifically authorized by the director of the department of administration, all reports mandated by statute or law shall be printed in monochromatic ink.